

IN THE UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

OKLAHOMA PROPERTY AND	:	
CASUALTY INSURANCE	:	
GUARANTY ASSOCIATION,	:	
Plaintiff	:	
	:	No.
v.	:	
	:	
UNIVERSAL HEALTH SERVICES,	:	Filed electronically
INC. and UHS OF DELAWARE,	:	
INC.,	:	
Defendants	:	

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**OKLAHOMA PROPERTY AND CASUALTY INSURANCE GUARANTY  
ASSOCIATION'S OBJECTION TO AND MOTION TO QUASH IN PART  
THE SUBPOENA SERVED ON STATUTORY LIQUIDATOR OF PHICO  
INSURANCE COMPANY**

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COMES NOW Plaintiff, the Oklahoma Property and Casualty Insurance Guaranty Association (the "Association"), pursuant to Fed.R.Civ.P. 45(c)(3) and (d)(2) and respectfully submits its objection to the Document Subpoena issued by Universal Health **Services**, Inc. and UHS of Delaware, Inc. (collectively "UHS") to the Statutory Liquidator of PHICO Insurance Company ("PHICO"). (See Subpoena to Produce Documents, Information, or Objects, dated December 15, 2011, attached as Ex. "1").

The sole matter of contention between the parties regarding the December 15th Document Subpoena, is its command to produce a legal opinion drafted by

the Association's coverage counsel that was withheld from previous discovery under an express claim of attorney opinion work product privilege. (See Privilege Log, dated November 30, 2011, attached as Ex. "2"). In this regard, counsel for the parties have conferred, and agreed, to resolve the Association's claim of privilege as specifically outlined below:

Procedural History of the Case

1. This lawsuit involves a claim for statutory recoupment filed by the Association pursuant to the Oklahoma Property and Casualty Insurance Guaranty Act (the "Oklahoma Act"), Okla. Stat. tit. 36 § 2001 et seq., that is currently pending before the U.S. District Court for the Western District of Oklahoma (the "Western District"), case no. 10-CV-1402-D.

2. Both UHS and the Association have filed motions for summary judgment and extensive briefs regarding the legal issues involved in the case, which are currently pending before the Western District.

3. As noted above, on November 30, 2011 in response to UHS' direct request to the Association to produce a 2007 legal opinion drafted by the Association's counsel, counsel for the Association notified defense counsel that the requested opinion letter was privileged under the attorney opinion work product privilege. (See Ex. "2").

4. On December 15, 2011, UHS issued a subpoena to the Statutory Liquidator for PHICO commanding the production of, among other documents, “any memoranda or letters provided to PHICO by the Association that were authored by any counsel for the Association.” (See Ex. “1”, Attachment A, no. 3).

5. On December 29, 2011, counsel for UHS and the Association agreed to resolve the issue of the Association’s claim of attorney opinion work product as follows:

- a. The Association agrees not to object to the production of any non-privileged documents requested by UHS that are in the possession or control of the PHICO Liquidator;
- b. UHS agrees to excuse the PHICO Liquidator’s obligation to produce “any memoranda or letters provided to PHICO by the Association that were authored by any counsel for the association,” for which a claim of attorney/client or attorney opinion work product has been, or could be claimed, pending the resolution of the Association’s claim of privilege before the U.S. District Court for the Western District of Oklahoma;
- c. The parties’ agree to transfer of the Association’s Objection and Motion to Quash to the U.S. District Court for the Western District of Oklahoma for the determination of the Association’s claim of privilege; and
- d. The parties’ expressly agree that their agreement shall not otherwise prejudice their rights to enforce the December 15, 2011 Subpoena, or to seek a protective order in opposition thereto from the

U.S. District Court for the Western District of  
Oklahoma.

6. A copy of this Objection and Motion to Quash In Part were provided to Counsel for UHS by the Association's counsel prior to filing it with the Court.

**REQUESTED RELIEF**

Based on the parties' agreement of December 29, 2011, the Association requests that the Court issue an order in accordance with the parties' agreement, specifically: 1) Transferring the determination of the Association's Objection and Motion to Quash In Part, to the originating court, for determination; 2) Excusing the PHICO Liquidator's obligation to produce documents to which the Association claims privilege until a further determination by the U.S. District Court for the Western District of Oklahoma, the originating court; and 3) Preserving each party's rights to pursue compliance with, or the protection from, any remaining obligation by the PHICO Liquidator to the December 15, 2011 Subpoena with the originating court. A proposed order is attached hereto.

**BRITT, HANKINS & MOUGHAN**

BY: s/ Joseph M. Hankins

Joseph M. Hankins

Attorneys for Plaintiff

Suite 515, Two Penn Center Plaza

1500 John F. Kennedy Boulevard

Philadelphia, Pennsylvania 19102-1888

Phone: (215) 569-6904

Fax: (215) 569-3711

E-mail: [jhankins@britthankins.com](mailto:jhankins@britthankins.com)

Identification number PA20052

**CERTIFICATE OF SERVICE**

I certify that the Oklahoma Property and Casualty Insurance Guaranty Association's Objection to and Motion to Quash in Part the Subpoena served on the Statutory Liquidator of the PHICO Insurance Company. this 29th day of December, 2011 by regular mail on the following:

James M. Webster, Esquire  
Johnson Hanan & Vosler  
Chase Tower, Suite 2750  
100 North Broadway Avenue  
Oklahoma City, OK 73102  
Phone: (405) 232-6100  
Fax: (405) 232-6205  
E-mail: jwebster@johnsonhanan.com  
Attorney for Defendants

Richard F. McMenamin, Esquire  
Morgan, Lewis & Bockius LLP  
1701 Market Street  
Philadelphia, PA 19103-2921  
Phone: (215) 963-5000  
Fax: (215) 963-5001  
E-mail: rmcmenamin@morganlewis.com  
Attorney for Defendants

Matthew Kalinowski, Esquire  
Morgan, Lewis & Bockius LLP  
101 Park Avenue  
New York, NY 10178-0600  
Direct Phone: 212.309.6785  
Main Phone: 212.309.6000  
Fax: 212.309.6001  
mkalinowski@morganlewis.com  
Attorney for Defendants

Jacqueline M. Carolan, Esquire  
Matthew S. Olesh, Esquire  
Fox Rothschild LLP  
2000 Market Street, 20<sup>th</sup> Floor  
Philadelphia, PA 19103-2097  
Phone: (215) 299-2000  
Fax: (215) 299-2150  
E-mail: jcarolan@foxrothschild.com  
Attorney for Michael F. Consedine,  
Insurance Commissioner of the Commonwealth of Pennsylvania, in his  
official capacity as Statutory Liquidator of PHICO Insurance Company

Robert N. Naifeh, Jr., Esquire  
Pete G. Serrata, III, Esquire  
Derryberry & Naifeh, LLP  
4800 N. Lincoln Blvd.  
Oklahoma City, OK 73105  
Phone: (405) 528-6569  
Fax: (405) 528-6462  
E-mail: rnaifeh@derryberrylaw.com  
pserrata@derryberrylaw.com  
Co-counsel for Plaintiff

s/ Joseph M. Hankins  
Joseph M. Hankins  
Britt, Hankins & Moughan  
Attorneys for Plaintiff  
Suite 515, Two Penn Center Plaza  
1500 John F. Kennedy Boulevard  
Philadelphia, Pennsylvania 19102  
Phone: (215) 569-6904  
Fax: (215) 569-3711  
E-mail: jhankins@britthankins.com  
Identification number PA20052

Dated: December 29, 2011